

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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APR 29 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03388A
Seven Canyons Water Company
8960 E. Raintree Dr., Ste. 100
Scottsdale AZ 85260

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) SEVEN CANYONS WATER COMPANY

Mailing Address 8960 EAST RAINTREE DRIVE, SUITE 100

(Street)

SCOTTSDALE, ARIZONA

85260

(City)

(State)

(Zip)

480-627-7000

Telephone No. (Include Area Code)

480-627-7010

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME AS ABOVE

(Street)

SAME AS ABOVE

(City)

(State)

(Zip)

SAME AS ABOVE

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: DENNIS CAIN VICE-PRESIDENT

(Name)

(Title)

8960 EAST RAINTREE DRIVE, SUITE 100

(Street)

SCOTTSDALE

(City)

ARIZONA

(State)

85260

(Zip)

480-627-7000

Telephone No. (Include Area Code)

480-627-7010

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: WENDY FERGUSON

(Name)

3755 LONG CANYON ROAD SEDONA, ARIZONA 86336

(Street)

(City)

(State)

(Zip)

480-627-7000

Telephone No. (Include Area Code)

480-627-7010

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JON W GALE, CPA

(Name)

1201 SOUTH ALMA SCHOOL ROAD, SUITE 9500

(Street)

MESA

(City)

ARIZONA

(State)

85213

(Zip)

480-820-0770

Telephone No. (Include Area Code)

480-491-1682

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: TIM BERG, FENNEMORE CRAIG

(Name)

3003 N CENTRAL AVENUE, SUITE 2600 PHOENIX

(Street)

ARIZONA

(City)

85008

(State)

(Zip)

602-916-5000

Telephone No. (Include Area Code)

602-916-5621

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	90.00	18.00	72.00
302	Franchises			
303	Land and Land Rights	11,093.39		11,093.39
304	Structures and Improvements	69,144.79	2,304.82	66,839.97
307	Wells and Springs	285,974.71	9,532.49	276,442.22
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	58,779.90	2,939.00	55,840.90
331	Transmission and Distribution Mains	26,759.52	535.19	26,224.33
333	Services			
334	Meters and Meter Installations	2,130.81	51.78	2,079.03
335	Hydrants			
336	Backflow Prevention Devices	2,435.45	135.30	2,300.15
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,729.60	36.03	1,693.57
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	458,138.17	15,552.61	442,585.56

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	See attached depreciation schedule.		
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			\$ 15,552.61

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME SEVEN CANYONS WATER COMPANY

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$0	\$3,221.82
134	Working Funds	0	250.00
135	Temporary Cash Investments		
141	Customer Accounts Receivable	0	3,175.27
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$0	\$6,647.09
	FIXED ASSETS		
101	Utility Plant in Service	\$0	\$458,138.17
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	0	-15,552.61
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$0	\$442,585.56
	TOTAL ASSETS	\$0	\$449,232.65

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$0	\$60.78
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$0	\$1,000.00
211	Paid in Capital in Excess of Par Value	0	549,582.73
215	Retained Earnings	0	-101,410.86
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$0	\$449,232.65
	TOTAL LIABILITIES AND CAPITAL	\$0	\$449,232.65

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$0	\$10,040.15
460	Unmetered Water Revenue		
474	Other Water Revenues		3,655.10
	TOTAL REVENUES	\$0	\$13,695.25
	OPERATING EXPENSES		
601	Salaries and Wages	\$0	\$0
610	Purchased Water		
615	Purchased Power	0	1,113.28
618	Chemicals	0	29.07
620	Repairs and Maintenance	0	1,604.27
621	Office Supplies and Expense	0	408.85
630	Outside Services	0	93,902.20
635	Water Testing	0	460.00
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	0	997.87
403	Depreciation Expense	0	15,552.61
408	Taxes Other Than Income		
408.11	Property Taxes	0	991.96
409	Income Tax	0	46.00
	TOTAL OPERATING EXPENSES	\$0	\$99,553.50
	OPERATING INCOME/(LOSS)	\$0	\$-101,410.86
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$0	\$-101,410.86

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME SEVEN CANYONS WATER COMPANY

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-600173	40	78	744	7"	4"	1981

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	10	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
6,700 gal	1	0	0
200,000 gal	1	0	0

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		67
3		0
4		278
5		0
6	DIP	197
8	DIP	3,710
10	DIP	2,957
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	1
1	4
1 1/2	0
2	3
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

SOLENOID DOSING PUMP (CHEMICAL METERING PUMP)

STRUCTURES:

BOOSTER PUMP ROOM

OFFICE / LABORATORY

OTHER:

COMPANY NAME: SEVEN CANYONS WATER COMPANY

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	4	72,400	65,600
FEBRUARY	4	55,200	78,600
MARCH	4	68,180	129,400
APRIL	4	44,030	264,000
MAY	4	89,920	499,600
JUNE	5	356,170	109,594
JULY	5	208,790	396,313
AUGUST	5	62,450	105,372
SEPTEMBER	9	64,320	131,088
OCTOBER	9	61,820	118,095
NOVEMBER	10	40,310	273,750
DECEMBER	10	47,730	109,000
TOTAL		N/A	2,280,412

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. .003 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME SEVEN CANYONS WATER COMPANY YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 991.96

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME SEVEN CANYONS WATER COMPANY YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported -85,858.25
Estimated or Actual Federal Tax Liability .00

State Taxable Income Reported -85,858.25
Estimated or Actual State Tax Liability .00

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-6-04
DATE

ERIC EILERTSEN
PRINTED NAME

PRESIDENT
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 29 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	Z CORPORATION COMMISSION DIRECTOR OF UTILITIES
NAME (OWNER OR OFFICIAL) TITLE DOUG STUTZMAN, TREASURER	
COMPANY NAME SEVEN CANYONS WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 14,215.30


(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 520.05
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

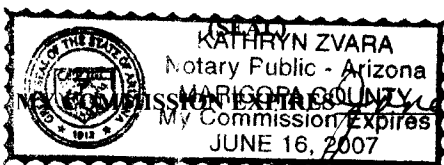
SUBSCRIBED AND SWORN TO BEFORE ME

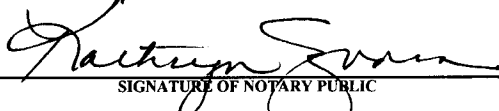
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 6 DAY OF


SIGNATURE OF OWNER OR OFFICIAL
480-627-7000
TELEPHONE NUMBER

COUNTY NAME	<u>MARICOPA</u>	
MONTH	<u>April</u>	<u>2004</u>




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 29 2004

VERIFICATION

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA	
NAME (OWNER OR OFFICIAL)	DOUG STUTZMAN	TITLE TREASURER
COMPANY NAME SEVEN CANYONS WATER COMPANY		

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 14,215.30

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 520.05
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

DSM

SIGNATURE OF OWNER OR OFFICIAL

480-627-7000

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

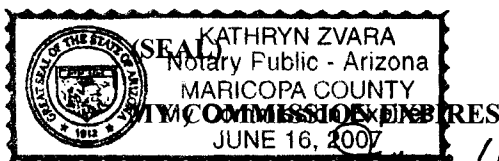
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

6

DAY OF

NOTARY PUBLIC NAME	
KATHRYN ZVARA	
COUNTY NAME	
MARICOPA	
MONTH	2004
APRIL	



X *Kathryn Zvara*
SIGNATURE OF NOTARY PUBLIC

66, 2007